

SENATE BILL 2352

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 67,
relative to requiring a referendum for certain
proposed property tax increases.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-102(a), is amended by deleting subdivision (2) and substituting instead the following:

(2) The amount of such tax shall be fixed by the county legislative body of each county. Any increase of more than twenty-five percent (25%) in the tax rate applied against the assessed value of property proposed by the county legislative body shall be approved by referendum of the voters of the county pursuant to § 67-5-105.

SECTION 2. Tennessee Code Annotated, Section 67-5-103, is amended by adding the following language as a new subsection:

(d) Property tax rates shall be fixed by the municipal legislative body of a municipality. Any increase of more than twenty-five percent (25%) in the tax rate applied against the assessed value of property proposed by the municipal legislative body shall be approved by referendum of the voters of the municipality pursuant to § 67-5-105.

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 5, Part 1, is amended by adding the following language as a new section:

§ 67-5-105.

(a)

(1) The county election commission shall call an election following any vote by the respective county or municipal legislative body to increase the tax rate applied against the assessed value of property by more than twenty-five percent (25%). Any ordinance or resolution of a county or of a municipality, as

the case may be, under the authority of this section, shall not become operative until approved in an election in the county or the municipality, as the case may be.

(2) The election shall be held in conjunction with a general election or in a special election for the purpose of approving or rejecting such resolution or ordinance. If a municipality is holding a special election, the municipality shall pay the costs of holding such election.

(b)

(1) The ballot shall provide options to vote “FOR” or “AGAINST” the ordinance or resolution, after the receipt of a certified copy of such resolution or ordinance, and a majority vote of those voting in the election shall determine whether or not the ordinance or resolution is to be operative.

(2) The ballots used in such election shall have printed on them the substance of such ordinance or resolution and the voters shall vote for or against its approval.

(c) The returns of the election shall be certified by the county election commission to the appropriate local governing body.

(d) The qualifications of voters voting on the question shall be the same as those required for voting in a general county or municipal election, whichever is appropriate.

(e) If the majority of voters vote for the approval of the ordinance or resolution, then the ordinance or resolution shall be operative. If the majority of voters vote against the approval of the ordinance or resolution, then the tax rate applied against the assessed value of property in place immediately prior to the action of the county legislative body or the municipal legislative body to increase the rate shall be the tax rate

applied against the assessed value of property for the tax year to which the ordinance or resolution applied.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.